

MINUTE ITEM

8. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, RICHFIELD OIL CORPORATION, RINCON FIELD, VENTURA COUNTY - W.O. 3969.

Following presentation of Calendar Item 18 attached, and in response to a question by Commissioner Anderson, Mr. K. M. Cook of Richfield Oil Corporation indicated that a six-month period should be sufficient time to determine where to drill the next well.

UPON MOTION DULY MADE AND CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 TO JANUARY 1, 1962, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 18 (1 page)

CALENDAR ITEM

18.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, RICHFIELD OIL CORPORATION, RINCON FIELD, VENTURA COUNTY - W.O. 3969.

State Oil and Gas Lease P.R.C. 1466.1 was issued on August 29, 1955, to the Richfield Oil Corporation, pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code, covering approximately 1,175 acres of tide and submerged lands in the Rincon Field, Ventura County. The subject lease was amended in accordance with the provisions of Section 6873 of the Public Resources Code, as approved by the Commission on May 13, 1958 (Minute Item 6, page 4014), in order to permit the lessee to take advantage of the more flexible development and operating conditions specified.

Preliminary exploration on the leased land disclosed that the oil-bearing sands found on this property were too shallow to be properly developed from upland drillsites. In order to provide an offshore drillsite, Richfield constructed an earth-fill island at a cost in excess of \$4,000,000. Upon completion of the island, drilling operations were commenced on the leased land. To date 46 producing oil wells have been drilled from this island. One producing oil well has been completed under water. It appears that the wells heretofore drilled can drain adequately all of that portion of the producing structure that can be developed economically from the island drillsite.

Upon the request of the lessee, the Commission at its meeting of December 22, 1960 (Minute Item 15, pages 6532-33), approved a deferment of the drilling requirements to June 30, 1961, in order to conduct studies to determine the feasibility of drilling additional wells into the leased land from other locations. The Richfield Oil Corporation has submitted an application requesting another deferment of lease drilling requirements until January 1, 1962, in order to conduct further studies to determine the feasibility of drilling additional wells into the leased land from other locations. Upon determination that further drilling is justified, such operations will be resumed as soon as possible.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 TO JANUARY 1, 1962, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.